

1 going to go to that new switch until I establish the  
2 route set and start doing signalling. So I can't do  
3 signaling for two -- for two switches on a single  
4 trunk group.

5 MS. NATOLI: I understand that now. And  
6 that's, I think, what we were trying to get at  
7 earlier. One other quick question.

8 We understand the accessible letter goes  
9 out to everyone in the industry and everyone gets  
10 notice purportedly at the same time. Are there any  
11 agreements or coordination arrangements that would  
12 be different for independent telephone companies  
13 with respect to once they receive that letter, than  
14 would be handled for the CLECs, for example? Do you  
15 have agreements that cover when these letters are  
16 received, you know, we'll notify you at such and  
17 such a date, special arrangements that would occur  
18 between the independents, in addition to the  
19 accessible letter?

20 MR. ALBERT: No. No top-secret stuff.

21 MS. NATOLI: No, I wasn't suggesting it  
22 was top-secret.

1           MR. ALBERT: No. We are same-same as far  
2 as our dealings with the industry, when we  
3 project-manage the whole cutover process, which is  
4 very complex because the large number of carriers.  
5 We're sending out the same bulletins to everybody at  
6 the same time that's involved with the project,  
7 letting them know the different dates that other  
8 carriers are moving their traffic.

9           So if you want to pick up Sprint's calls,  
10 you know now on Wednesday you've got to get them  
11 over here. And then when you want to pick up MCI's  
12 calls, you know on Monday you've got to get them  
13 over here.

14           Those are the project bulletins that we  
15 ship out to everybody to let everyone know what  
16 point in time all these other carriers are moving  
17 their stuff.

18           MR. LERNER: I think that's it for this  
19 issue. Why don't we take a 10-minute break right  
20 now before we start --

21           MS. NATOLI: Do you want to enter the  
22 testimony into the record?

1 MR. PERKINS: Cavalier would like to enter  
2 the direct testimony of Mr. Cole -- excuse me,  
3 Mr. Clift as Cavalier Exhibit 1, except for the last  
4 page, which I have stricken through because it was  
5 accidentally put into this copy; rebuttal testimony  
6 of Mr. Clift as Exhibit 2; the direct testimony of  
7 Mr. Cole, except for the second unnumbered page,  
8 which is a copying error, as Exhibit 3; and the  
9 rebuttal testimony of Mr. Cole as Exhibit 4.

10 MS. NEWMAN: We've already stated our  
11 objections. I believe you've already ruled on them.  
12 We have no additional objections that were not  
13 recited.

14 We would now move for the admission of --  
15 because it was submitted in panel, Verizon Exhibit  
16 1, panel testimony of Donald Albert, Pete D'Amico,  
17 Rosemarie Clayton and Alice Shocket, dated September  
18 23, 2003; and Verizon Exhibit 2, the panel rebuttal  
19 testimony of Donald Albert, Pete D'Amico, Rosemarie  
20 Clayton, Alice Shocket, dated October 9, 2003.

21 MR. LERNER: And all these exhibits are  
22 admitted into the record.

1 (Verizon Exhibits 1 and 2 received.)

2 MR. LERNER: Why don't we take a 10-minute  
3 break before we start the next issue.

4 (Recess.)

5 MR. LERNER: We will now move to issues  
6 C3, C4 and C5, which at least the bureau staff sees  
7 that as all related to one issue, so we're going to  
8 deal with that together. Verizon will examine the  
9 witnesses first and will have 40 minutes, given the  
10 amount of time set aside for this, and Cav will have  
11 40 minutes. If witnesses for these issues can  
12 please take the appropriate seats.

13 Mr. Smith is a Verizon witness, and  
14 Mr. Cole, Mr. Whitt and Mr. Haraburda are Cavalier  
15 witnesses.  
16 Whereupon,

17 JONATHAN SMITH,

18 DAVID WHITT,

19 JOHN HARABURDA, and

20 WALT COLE

21 were called as witnesses and, having first been duly  
22 sworn, were examined and testified as follows:

1 MS. NEWMAN: Thank you. During the break  
2 I reviewed my notes and also consulted with my legal  
3 team, and we have decided not to ask any questions  
4 on these issues.

5 MR. STUBBS: Just for clarification, for  
6 3, 4 and 5?

7 MS. NEWMAN: Yes.

8 EXAMINATION OF MR. SMITH

9 BY MR. STUBBS:

10 Q Good morning, Mr. Smith. I am Rick Stubbs  
11 for Cavalier. Welcome down to D.C.

12 I understand from your prefiled testimony  
13 that you are based in Verizon's New York office; is  
14 that right?

15 A That's correct.

16 Q Would it be fair to say -- do you know  
17 that Cavalier's footprint does not extend to New  
18 York?

19 A Yes.

20 Q So would it be fair to say you're really  
21 not that familiar with the Cavalier/Verizon  
22 relationship?

1           A     No, I'm fairly familiar with the  
2 Cavalier/Verizon relationship.

3           Q     I would like to establish your  
4 familiarity. First of all, do you know that  
5 Cavalier is a facility-based CLEC?

6           A     Yes, I do.

7           Q     Do you know that we are a UNE loop  
8 provider?

9           A     I believe you are, yes.

10          Q     Do you know that Verizon and Cavalier have  
11 arrangements for end office to end office trunking?

12          A     Yes, we do.

13          Q     Okay. And do you know there have been a  
14 number of disputes between the companies that have  
15 resulted in this arbitration?

16          A     Yes.

17          Q     Okay. All right, Mr. Smith. What is  
18 local number portability?

19          A     Local number portability is when a  
20 competitive local exchange provider takes a customer  
21 from the IWAC and that customer wishes to take their  
22 telephone number with them, it gets poured in with

1 the end user so the end user's phone number does not  
2 change, even though their provider does.

3 Q Local number portability also goes by the  
4 acronym LNP; is that right?

5 A Yes, it does.

6 Q I know there's a consumer element to local  
7 number portability that tends to make the  
8 newspapers; isn't that right?

9 A I would assume so, yes.

10 Q For billing purposes, it's slightly  
11 different; isn't that right? When you use the term  
12 "local number portability"?

13 A I'm not sure what you're referring to.

14 Q There is a billing element to LNP, is  
15 there not?

16 A I mean, if you're referring to there are  
17 charges when people dip databases and things like  
18 that, yes, there are charges for that.

19 Q What is an LNP dip?

20 A That is a dip or access of the local  
21 number portability database to determine who the  
22 actual provider is of the service for that

1 particular number. So in the case of a  
2 Cavalier/Verizon relationship, a long-distance  
3 carrier who is carrying your call that is destined  
4 for a number that appears to be a Verizon number  
5 would go into the database to find out whether or  
6 not that number has been ported and, if so, they  
7 would identify the company that it's been ported to  
8 so they can direct it to the appropriate tandem.

9 Q Is it fair to say that the wireline world  
10 has had LNP in place for several years?

11 A That's correct.

12 Q Okay. Is it also fair to say, as we all  
13 know from reading the papers, that the wireless  
14 carriers have been more resistant to LNP than the  
15 wireline world is?

16 A I think some carriers have embraced it.

17 Q Which carriers have embraced it?

18 A I believe that Verizon Wireless has now  
19 embraced it.

20 Q Are there any other carriers in the  
21 wireless world that have embraced it?

22 A I seem to recall someone else coming out



1 recently and saying that they had too, but I don't  
2 recall whether it was Sprint or not.

3 Q Okay. Has Verizon Wireless started to  
4 implement LNP yet, as of today?

5 A My understanding is that local number  
6 portability for wireless actually is no longer  
7 implemented.

8 Q Are you saying that it's your  
9 understanding that Verizon Wireless will not  
10 implement LNP until the FCC or other regulations or  
11 laws require Verizon Wireless to do so?

12 A I -- you know, not being an employee of  
13 Verizon Wireless, which is a separate sub, I really  
14 can't answer for them. I'm just speaking from  
15 general knowledge, what I've read in the press.

16 Q Okay. But today, sitting here, Verizon  
17 Wireless has not yet implemented LNP; is that  
18 correct?

19 A Not to my knowledge.

20 Q Okay. Is it fair to say that Verizon  
21 Wireless is ahead of the pack in the wireless world  
22 in its approach to LNP?

1           A     I don't know.

2           Q     Okay. Are there any other carriers  
3 besides Sprint and Verizon Wireless that -- strike  
4 that.

5                     Is there any carrier in the wireless world  
6 that is ahead of Verizon Wireless in LNP?

7           A     Again, not being a wireless expert, you  
8 know, I really couldn't comment on that.

9           Q     Do you know of any wireless carrier today  
10 that has implemented LNP?

11          A     I'm not aware of any.

12          Q     Now, I would like to address the problem  
13 as perceived by Cavalier of its receipt of a lack of  
14 adequate information for billing purposes, as passed  
15 with the tandem. Would you agree that this is a  
16 problem that is not limited to intraLATA traffic  
17 being passed through the tandem?

18          A     First, I'm not sure I would agree there is  
19 a problem.

20          Q     Okay. Would you agree that the issue  
21 before the wireline competition bureau in C3  
22 perceived by Cavalier as a problem is not restricted

1 to intraLATA traffic only?

2 A I believe that Cavalier perceives there is  
3 a problem with intra- and interLATA traffic.

4 Q So it is both an intraLATA traffic issue  
5 as well as an interLATA traffic issue; is that  
6 correct?

7 A I believe that's the issue that Cavalier  
8 has raised, yes.

9 Q Okay. So turning to your direct testimony  
10 at page 3, lines 6 to 8, where you describe the call  
11 scenario as where a call "originates in intraLATA  
12 call and sends it to one of Verizon's tandems,"  
13 that's really not entirely accurate; is that right?

14 A For the call that I'm talking about here,  
15 which is a tandem transit call, it would be an  
16 intraLATA call. Tandem transit calls are different  
17 than the meet point billing calls, although the  
18 records are exchanged on the same meet point billing  
19 tape and are of the same category type or record  
20 type. They are different types of calls.

21 Q Okay. So is this issue of the adequacy of  
22 the billing information that's passed, both an

1 interLATA issue and an intraLATA issue?

2 A I believe the way Cavalier has raised the  
3 issue, they have raised it as both an inter, and an  
4 intra.

5 Q Now, in light of that, I would like you to  
6 tell me whether there's anything about your  
7 testimony at page 3, lines 6 to 8, that you might  
8 modify, or would you leave it as is.

9 A For this one particular call scenario  
10 here, which happens to be an intraLATA scenario, I  
11 would leave it as is. We can add an interLATA  
12 scenario.

13 Q Isn't it also a scenario that would have  
14 applicability in this proceeding if hypothetically  
15 local traffic was going through an access tandem?

16 MS. NEWMAN: I'm sorry, I have to object  
17 to the form of the question because I don't  
18 understand what you're asking.

19 MR. STUBBS: I'm just making sure that  
20 we're all in agreement that the scope of the issue  
21 is broader than as Mr. Smith testified. He has  
22 already indicated that interLATA traffic, billing

1 information adequacy, is also before us and was not  
2 covered by his testimony.

3 I would just like Mr. Smith to comment on  
4 whether if, in fact, hypothetically local traffic  
5 was found to go through an access tandem, would that  
6 issue also be properly before the bureau.

7 MR. LERNER: Mr. Smith, do you understand  
8 the question?

9 THE WITNESS: I think so.

10 MR. LERNER: You may answer.

11 THE WITNESS: To the extent a call is  
12 passed to Verizon from either a local CW  
13 interexchange carrier -- we are going to pass on the  
14 information that we receive in the signalling stream  
15 for that call. To the extent a local call were to  
16 be delivered by an IXC, it potentially would fall  
17 onto one of these meet point billing records.

18 BY MR. STUBBS:

19 Q Can you tell me when a local call would be  
20 delivered by an IXC on these records?

21 A It would depend on -- I can't describe the  
22 scenario where it would. I'm just using your

1   hypothetical.  If an IXC somehow delivered over its  
2   access trunks to us a local call, it could be  
3   included in this stream of records.  It would be  
4   included in the records that we would record.

5           Q     I apologize for interrupting.

6                   Can you conceive of any way an IXC carrier  
7   might, in that scenario, transit a local call via  
8   the tandem?

9           A     I'm not sure how an IXC carrier would do  
10   it, but I'm sure that they could find a way.

11          Q     Now, if hypothetically a local CLEC were  
12   to pass traffic through the access tandem to  
13   Cavalier, would it be fair to say that that issue is  
14   also properly before the bureau?

15                MS. NEWMAN:  I'm going to have a standing  
16   objection, to the extent you are asking him what  
17   legally is before the bureau for purposes of  
18   arbitration.  I mean, you're asking in essence --  
19   first it's a legal conclusion, and also whatever the  
20   issue is, as you've framed it, you can ask him about  
21   his direct testimony, but -- you can ask him  
22   hypotheticals, but again I'm going to have a

1 standing objection to this line of questioning.

2 MR. LERNER: Objection is noted. We will  
3 determine what the issue is before us. Go ahead.

4 BY MR. STUBBS:

5 Q Mr. Smith, just asking the question a  
6 different way, would you agree that the issue here  
7 is whether traffic is properly being routed through  
8 the trunks -- through the proper trunks?

9 A I think the issue here is whether Verizon  
10 is providing the billing information to allow  
11 Cavalier to bill the call appropriately. That's the  
12 issue that I understand has been raised here by  
13 Cavalier.

14 Q Isn't it true that the carrier that hands  
15 off the traffic at the tandem is the party to be  
16 billed for access?

17 A The party that delivers the traffic to  
18 Verizon at the tandem should be the party that would  
19 be the carrier, if you will. That's who we would  
20 see as the party delivering the call.

21 Q And won't there be occasions where the  
22 party handing off the traffic, an IXC, is not the

1     originating carrier? For example, in New York CLEC?

2             A     Yeah, or California ILEC or whatever.

3             Q     In which case, the party that hands off  
4     the traffic in turn bills its customer, in my  
5     example the CLEC, for the full cost of the  
6     termination of that call; is that right?

7             A     The party that is handing off the call to  
8     Verizon?

9             Q     Is the party that would be billing the  
10    originating carrier for the full cost of  
11    termination.

12            A     In an IXC example, is that what you're  
13    asking me?

14            Q     That's right.

15            A     In an IXC example, where a call is  
16    originated and transported to Verizon by an IXC for  
17    handoff to Cavalier, I would believe the IXC would  
18    be billing the end user for a long-distance call.

19            Q     So when you say "end user," are you  
20    talking about the caller or the person being called?

21            A     I'm talking the caller in the -- in a  
22    direct dial call, if an end user from California



1 originates a call and it is carried by an  
2 interexchange carrier, handed off to Verizon at the  
3 tandem in Virginia and terminated to Cavalier, that  
4 end user would be paying that one -- I believe that  
5 long-distance carrier for the toll call.

6 Q Okay. Now, let me change the hypothetical  
7 a little. I understand what you're doing with that.  
8 What if, however, a caller makes use of a CLEC in  
9 California, like you said, and the CLEC hands off  
10 the call to an IXC that delivers the call to the  
11 tandem? Wouldn't the proper party to bill for  
12 access be the party -- the carrier that is  
13 delivering the traffic to the tandem?

14 A It would be the interexchange carrier.

15 Q That's right. So it wouldn't in that case  
16 be proper to bill the originating carrier, because  
17 in effect that's double billing, isn't it?

18 A I wouldn't use the term "double billing."  
19 But it's the party that is to be billed access is  
20 the interexchange carrier in this case.

21 Q Because the interexchange carrier is  
22 billing the upstream carrier for full termination?

1           A       I'm not sure the carrier would be doing  
2       that. But, you know, I don't know the relationship  
3       that's going on between the interexchange carrier  
4       and the originating carrier, other than to assume  
5       that they would be billing -- the originating  
6       carrier would be billing originating access. But --

7           Q       So basically, as between the originating  
8       carrier and the carrier delivering the traffic,  
9       Verizon is not going to bill the originating  
10      carrier, it's proper to bill the party delivering  
11      the traffic?

12          A       In the interexchange scenario that we're  
13      talking about, where an interexchange carrier is  
14      delivering the call to the Verizon tandem, the  
15      access should be billed to the interexchange  
16      carrier, I believe.

17          Q       The carrier that delivers the traffic to  
18      the meet point?

19          A       The carrier who is delivering the call to  
20      the Verizon tandem is the carrier that is  
21      responsible for the access.

22          Q       If you would turn your attention to page

1 5, lines 1 and 2 of your direct testimony, you say  
2 "to know who should be billed for the call, Verizon  
3 uses the originating carrier's CIC or the OCN,"  
4 isn't it true --

5 MR. MILLER: Excuse me, Mr. Stubbs, if you  
6 could define -- or it is Mr. Smith's testimony. If  
7 you could define CIC and OCN and explain what they  
8 are.

9 MR. STUBBS: Mr. Miller, I'll be glad to  
10 ask that question, sure.

11 BY MR. STUBBS:

12 Q Mr. Smith, is it fair to say that CIC  
13 stands for carrier identification code?

14 A That's correct.

15 Q Is it fair to say that OCN stands for  
16 operating company number?

17 A That's correct.

18 Q Okay. So in your testimony when you say  
19 "to know who should be billed for the call, Verizon  
20 uses originating carrier CIC or OCN," in the  
21 scenario you described, that would not be right; is  
22 that correct?

1           A     Part of my testimony here that is  
2     addressing that was addressing the call scenario  
3     that was back on page 3, which was an intraLATA  
4     call, a tandem transit call. We're talking about  
5     the originating carrier, in this case, where the  
6     CLEC A, if you will, originates a call, passes it  
7     through Verizon's tandem to be terminated to  
8     Cavalier. In that case, the party to be assessed  
9     the charges would be CLEC A, because that is the  
10    carrier that is originating the call and billing the  
11    end user.

12          Q     But in the other example we talked about,  
13    that would not be the correct manner of assigning a  
14    billing identifier?

15          A     In the example that we just talked about,  
16    which is the strict meet point billing arrangement,  
17    it would be the interexchange carrier delivering the  
18    call to the tandem that would be responsible and  
19    should be charged the access.

20          Q     Now, it's true, is it not, that Verizon  
21    has end office trunking arrangements with various  
22    interexchange carriers or IXC's; isn't that right?

1           A     I believe that to be correct, yes.

2           Q     And some IXCs either can't or do not do  
3 their own LNP dips; isn't that right?

4           A     That can occur.

5           Q     And among those end office trunking  
6 arrangements with those types of IXCs, isn't it true  
7 that Verizon will perform the LNP dip for at least  
8 some of those IXCs?

9           A     If Verizon receives a call delivered to  
10 our end office and it is not our customer, because  
11 of local number portability, the customer has moved  
12 and ported their number, Verizon has the call at the  
13 end office, our first goal is to terminate that call  
14 to the appropriate end user and not to block it. So  
15 what we do is, we will do the LNP lookup, we will  
16 perform the dip, and we will then reoriginate that  
17 call and send it to the terminating carrier.

18          Q     And in this case Cavalier?

19          A     In this case if it was a number ported to  
20 Cavalier, it would be Cavalier.

21          Q     And as we mentioned before, as you  
22 mentioned before, there are end office trunking

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1 arrangements between Cavalier and Verizon; is that  
2 right? Two-way trunking arrangements?

3 A There are two-way trunking arrangements.

4 Q So after Verizon has done the LNP dip on  
5 that IXC call, how does Verizon route the  
6 termination to Cavalier?

7 A I believe it is routed over one of the  
8 local interconnection trunks.

9 Q Okay. Now, how would that show up on the  
10 meet point billing tape?

11 A That call would not show up on a meet  
12 point billing tape. That would be a call delivered  
13 over the interconnection trunk to Cavalier. It  
14 would appear that it was coming directly from  
15 Verizon and Cavalier would end up billing Verizon --  
16 probably the reciprocal compensation.

17 This is an industry problem where we have  
18 some carriers who refuse to follow the FCC  
19 guidelines and do the LNP lookups. At this point  
20 when the call comes in, our goal is to get the call  
21 completed to the end user, not to block it.

22 Q So are you saying in that situation

1 Verizon regards that IXC call, where Verizon has  
2 done the end office dip and routed to Cavalier end  
3 office, Verizon views that as a local call?

4 A That call -- I won't say Verizon views  
5 that as a local call, but the record as it would  
6 be -- there would be no record cut on Verizon's  
7 side, because it was delivered to the wrong place  
8 and we had to reoriginate it to get it there.

9 Cavalier would, when the call comes over  
10 the interconnection trunk, would most likely record  
11 that as a local call coming from Verizon and bill  
12 Verizon reciprocal compensation for that.

13 Q Okay. So all of us sitting around the  
14 table know, then, that in that situation, it is not  
15 a local call, and yet the billing data would  
16 indicate it's a local call?

17 A The billing data recorded by Cavalier most  
18 likely would indicate it was a local call. And  
19 again, this is -- you know, this is an industry  
20 problem, not -- I will say not caused by Verizon but  
21 caused by an interexchange carrier that doesn't do  
22 the dip as required and delivers the call to the end

1 office that they should not. If they did the dip,  
2 they would know what tandem to deliver it to so that  
3 it can be passed over the meet point billing  
4 arrangements over the access toll connection trunks  
5 to Cavalier for termination, and the appropriate  
6 meet point billing record would be cut for Cavalier.

7 Q Are you familiar with the rule or standard  
8 or protocol of end office minus 1?

9 A End minus 1. Vaguely, yes.

10 Q Is it fair to say that it refers to the  
11 concept that the last carrier to pass traffic to the  
12 terminating carrier performs the LNP dip?

13 A The end minus 1 would be, yes.

14 Q I would like to refer to a document  
15 produced by Verizon in discovery which I just  
16 received on Monday.

17 MR. LERNER: You can have the court  
18 reporter mark it or you can mark it yourself and  
19 identify it for the record.

20 MR. STUBBS: Sure. I'll just mark it as  
21 C-3A.

22 MS. NEWMAN: Can we have a copy, please?



1 MR. STUBBS: Sure. For the record, it is  
2 Bates stamped Verizon 0749. I would like to change  
3 that designation to C-5A.

4 (Exhibit C-5A identified.)

5 BY MR. STUBBS:

6 Q Mr. Smith, I have just provided you with a  
7 document that, as I said, Verizon provided in  
8 discovery. It is a two-page document, untitled,  
9 beginning with the phrase "effective with the  
10 December 23, 2001 release."

11 Have you ever seen this document before?

12 A Yes, I believe I have.

13 Q What is this document?

14 A Just give me a second to look over it.

15 Q Certainly. Take as much time as you need.

16 (Witness reviewed the document.)

17 This is a copy from the text of an  
18 industry mailing that went out, I can't say the  
19 exact date, I would assume around the 23rd of  
20 December 2001, or a little bit earlier, to announce  
21 Verizon's -- certain changes Verizon was making to  
22 the population of category 11 records, based on an